

From S. F.:
Persia, Mch. 14
For S. F.:
China-Landline, 18
From Vancouver:
Zealandia, Mar. 26
For Vancouver:
Marama, Mar. 25

Honolulu Star-Bulletin

3:30
Edition

Evening Bulletin, Est. 1882, No. 5491.
Hawaiian Star, Vol. XX, No. 6332

12 PAGES—HONOLULU, TERRITORY OF HAWAII, TUESDAY, MARCH 11, 1913.—12 PAGES

PRICE FIVE CENTS.

AUDIT CO. REPORT IS EMPHATIC

Changes in Accounting Sys-
tems Urged to Safeguard
Public Funds

MAGUIRE SCANDAL LENDS
POINT TO SUGGESTIONS

Impartial Recommendations
Made Calling for Establish-
ment of Examining Bureau
Unless Auditors Appointed by
Governor

Coming on the heels of the disclo-
sures made Saturday with the intro-
duction by the senate hold-over com-
mittee of its reports of the Hilo finan-
cial conditions, with the confession of
Charles Maguire, auditor of the coun-
ty, the same committee introduced a
supplementary report in the senate
this morning, designated as part two.

This report was drafted by the
Audit Company of Hawaii, which was
employed to investigate the books of
the county of Hawaii, and contains
numerous criticisms of the auditing
method in force at Hilo, and also
points out better and more accurate
methods for the several departments
to follow in conducting their official
business.

Senator Judd introduced the report
on behalf of the "hold-over commit-
tee," and on motion of Senator Wirtz
it was approved and ordered printed.

This will probably be the senate's last
official act in connection with the
Hilo scandal, as the matter has now
passed from its hands and into the
care of the attorney general.

The report was approved without
comment, the clerk being merely asked
to read the accompanying note,
which stated that the committee of
the ways and means, appointed by the
senate of 1911, had ready for submis-
sion the second part of the statement
of the Audit Company of Hawaii.

Important Changes Urged
The report contains in county ad-
ministration are called for and recom-
mended in the report. Aside from the
criticisms and suggestions as to
concentrating the handling of funds
in the treasurer's office and restrict-
ing the auditor's office purely to the
functions of examining and passing
upon statistics and accounts, the most
emphatic and far-reaching recommen-
dation relates to the general policy of
auditing in the territory of Hawaii.

The Audit Company strongly urges
either that the governor appoint the
various county auditors or that there
be created a separate auditing or ac-
counting bureau, having no connection
as a department with the territorial
auditor's office, and that its function
be to pass upon both county and ter-
ritorial accounts.

The report in full is as follows:
The report submitted by the Audit
Company to the hold-over committee
of senators and by them submitted to
the senate this morning is as follows:

PART II.
From the first part of our report it
is obvious that changes are necessary
in the methods of administering the
finances of the county in order to
safeguard its funds in future.

The system in force in the offices of
the county is as detailed in the first
part of our report.

It will readily be seen that if the
practice hitherto followed is according
to law, that is, there is no duty on
the part of the treasurer to satisfy
himself that the warrants presented to
him are "in favor of persons entitled
thereto in payment of claims and de-
mands chargeable against the county
which have been legally examined, al-
lowed, and ordered paid by the board
of supervisors," then there is no means
of controlling the power of the auditor
to issue warrants.

Section 80, Act 39, Session Laws
1905, provides:
"The Auditor shall, between the
first and tenth day of each month, ex-
amine the books of the treasurer, and
see that they have been correctly
kept."

As the auditor does not appear to be
responsible to anyone for the perform-
ance of his duties and is not required
to make a report to anyone as to
whether, or to what extent, he has
checked the treasurer's books, there is
no means provided for ascertaining
whether or not there has been a prop-
er administration of the funds of the
county if the auditor neglects his
duties.

We consider that the auditor's duty
(as his name implies) should be to
audit and check the administration of
the county affairs. Under the present
system, the auditor is really one of
the bookkeepers in the county office.

(Continued on Page 4)

SAFES

The largest stock in the city to se-
lect from.

H. HENDRICKS, LTD.

Congressional Visit Hoped For During Summer

In a cablegram received from
Delegate Kuhio, by Speaker Hol-
stein, of the house, yesterday af-
ternoon, Kalaianale advises the
acceptance of the late Archibald
Scott Cleghorn's gift of Alahau,
thus to perpetuate the memory of
the Princesses Likelike and Kailani.

In the same message the Dele-
gate suggests that another appro-
priation be made for the enter-
tainment of senators and con-
gressmen from the states who
may be expected down here this
summer. Immediate action has
been taken on Kuhio's second
suggestion. Representative Nor-
man Watkins this morning intro-
ducing a bill in the house propos-
ing to set aside \$20,000 to be
expended in the entertainment
of such congressional visitors
who may come here prior to June
30, 1915. The handling of this
fund is to be under the direction
of the territorial secretary, as in
former instances, wherein funds
have been provided for the same
purpose.

THAYER PLANNING SYSTEMATIC PROBE

Commission of Three Probably
Named and Thorough Ex-
amination of Records
To Be Made

Plans for a thorough investigation
of the Hawaii county financial scan-
dal have been already worked out by
the attorney-general's office along the
lines of appointing a commission of
three men similar to the Hughes com-
mission that investigated the insur-
ance companies in New York several
years ago. The plans drawn up by
Attorney General W. W. Thayer were
presented this morning to a committee
of the senate and will be presented
to both houses of the legislature at
the earliest possible moment.

According to the scheme worked out
by Mr. Thayer, the investigating com-
mittee will consist of three men ap-
pointed by the governor. These men
will not be members of the legisla-
ture, but impartial outsiders who will
be able to act in very much the same
capacity as a grand jury. They will
be empowered to subpoena witnesses
and to take their evidence, to search
the papers and records bearing upon
the case, to meet any place at any
time. In short, the committee will
be given sufficient powers to enable
it to probe to the bottom of the
matter and to fix the responsibility
where it belongs.

Where it belongs. Either the attorney
general or a representative from his
office will be present at the hearings
of the committee, and make up the
case of the government. It will prob-
ably be several months before a com-
mittee such as the one planned could
draw all evidence and draft final con-
clusions and a considerable sum of
money, in estimates ranging from ten
to twenty thousand dollars, will be
necessary to carry on the work.

Attorney-General W. W. Thayer
said this morning that not a stone
would be left unturned in making the
investigation as thorough as can pos-
sibly be made. County Auditor Ma-
guire was expected to arrive from
Hilo this morning, but no news had
been received of his presence at the
attorney-general's office at a late
hour this morning. Thayer stated
this morning that a representative
from his office will go over to Hilo
tomorrow for the purpose of investi-
gating conditions there.

HILLO RUMORS ARE BIG RING INVOLVED

[Special Star-Bulletin Correspondence]
HILLO, March 10.—Little else than
the implication of Auditor Maguire, by
his own confession, has been the topic
of conversation since the first pub-
lished reports of the financial scandal
reached here Sunday morning, when
the Saturday Star-Bulletin was re-
ceived.

For days the town has been reem-
ing with rumors that the names of county
officials and a large sum of money
were involved in the report of the
Audit Company of Hawaii to the sen-
ate hold-over committee, but there
were few who thought the sum of
money would amount to more than
twenty or thirty thousand dollars, and
many expected no charges, other than
gross carelessness in the keeping of
the county accounts.

Ever since the audit of the books
was completed, it has been generally
known that a scandal as to the loose
way the books were kept was inevit-
able, but there were those who would
not believe that there had been defal-
cations. After the first surprise at
the published confession of the county
auditor, there were many who ex-
pressed amazement that the pecu-

(Continued on Page 4)

DEMOCRATS DO NOT AGREE ON OFFICES

Territorial Central Committee's
Indorsements Fail to Meet
Universal Approval

It's not often that there is more
than one political job, fat and within
reach, for one man.

Still, as it looks today, Representa-
tive S. S. Paxson of Honolulu is like-
ly to be either postmaster at Honolulu
or U. S. collector of customs for the
territory. And Ed Duienberg, also
of Honolulu, may be either collector
of customs or postmaster. Also, there
are several other variations for other
Democratic candidates.

The Democratic territorial central
committee held a lengthy session last
evening, which was the aftermath of
another lengthy session last Saturday.
The session Saturday almost broke up
in a row, the echoes of which have
been lingering since, but last night
the committee put through a number
of indorsements, some of them well-
agreed upon and others only upon a
majority vote.

The session last night was an ex-
ecutive one, and members of the com-
mittee absolutely declined to go into
details as to the indorsements made.
Some of those indorsed, however, are
said to have been so happy about it
that they couldn't help mentioning
the fact to friends. In one way and
another, a good deal of what hap-
pened last night was being talked
about among the politicians of both
parties this morning.

The indorsements made by the com-
mittee last night contain some real
surprise-packages. For instance, there
has been little said of S. S. Paxson
being a candidate for federal office,
and practically nothing about Ed
Duienberg. The committee last night,
it is declared on good authority,
recommended Paxson for postmaster
of Honolulu, to succeed Pratt, and
Duienberg for collector of customs.

C. D. Pringle, who was dropped from
the department of internal revenue
here shortly after Collector Cottrell
took hold, has been after Cottrell's
job for a long time and he was in-
dorsed by the committee last night.
It is no secret that there was a fight
among the committee members over
this, but the Pringle forces had been
carefully primed for the fray and
forced through the indorsement by a
majority vote. It is said that he was
particularly strong among the Hawa-
ian members. So Pringle's name
goes to Washington as indorsed
by the committee for revenue collector.

Harry Mossman of Wailuku, Maui,
received the expected indorsement for
U. S. marshal. The committee also

SENATOR'S DEATH RAISES QUEER QUESTION OF PAY

Man Who Succeeds Hewitt
May Be Able to Draw Full
\$600 Salary

What compensation will Senator
George C. Hewitt's successor re-
ceive?

This is a question that promises
some worry to the lawmakers,
to whom it must shortly be put. The
law provides that a legislator shall
receive \$600 for each regular session
he attends. It does not set any rule
for the payment of this money, such
as the date, or whether at a certain
rate for each day served. It merely
says he shall be paid \$600 for the
session he attends, otherwise leaving
the question wide open.

It is therefore figured that possible
the late senator's estate is entitled
to the entire \$600; that if a member
attends the regular session for only
one day, he has complied with the
statute and is entitled to the full re-
compense. Senator Hewitt already

C. B. POTTER IS HERE; DENIES CHARGES

Charles Bruce Potter, who has fig-
ured prominently in the story of an
alleged marital tangle because of a
breach of promise suit brought on the
coast by Mrs. Sadie Stewart, arrived
from San Francisco this morning on
the Lurline.

Mr. Potter's presence on the boat
was denied by the purser, who said
that Mr. Potter could not make the
steamer. Furthermore, the name of
Potter on the passenger list was
marked out and his alleged absence
further emphasized by the words
stamped in red "Not On Board." Nev-
ertheless, Mr. Potter arrived, and this
afternoon declared to the Star-Bulletin
that the story of papers being served
upon him on the coast was false.

"My wife could not accompany me
but she will be down later," said Mr.
Potter, and he declared that he re-
sents the sensational stories pub-
lished about himself and his matrimonial
affairs. He was married on March 1
to Miss Rebe M. Ellingsworth, for-
merly a bookkeeper with the Trent
Trust Company, and he says he is

(Continued on Page 4)



S. S. Paxson, now one of the Oahu
representatives, picked by the Demo-
crats for either Honolulu postmaster
or collector of customs.

took up, it was learned today, the in-
dorsement of other postmasterships as
well as of two circuit court judges,
and it was understood today that
Judge W. S. Edings was indorsed for
the second circuit bench and Ollie
Shipman of Hawaii for the fourth
circuit.

Several members of the committee,
according to a report this afternoon,
are not in harmony with the action
of the majority in certain indorse-
ments and will probably send to
Washington indorsements of their
own. Thus it is said that there is an
influential faction which refuses to
stand for Pringle as a candidate for
revenue collector and favors instead
Robert W. Cathcart. This same view
is believed to favor Paxson for cus-
toms collector instead of for post-
master, and Duienberg for post-
master instead of for custom col-
lector. Hence it happens that it looks
as if these two lucky ones can't lose
out so far as some kind of a good
federal job is concerned. Both have
strong backing and the Democrats de-
clare they have the support of the
businessmen.

As for Pringle, his indorsement al-
ready threatens to become a bone of
contention. A prominent Democrat,
when he heard this morning of the
action of the committee, declared that
it would result in a dangerous situa-
tion within the party ranks.

He had drawn \$200, leaving \$400 still
due him from the territory.

If this interpretation of the statute
holds good, then his successor will
be entitled to an equal amount—
\$600—just as though he had been in
his seat every day of the session.

As a subject for legislation of a
special character it will be brought
up in the near future.

Another feature in connection with
the present situation that offers a
source of speculation is that if the
senate brings up the subject of con-
firming Governor Frazar's appoint-
ments, before the special election on
Hawaii is held, and refuses to con-
firm them, the election cannot take
place. This for the reason that all the
seventy-two election inspectors who
must preside at the polls are the chief
executive's appointees.

It is understood, however, that this
matter of confirmation will be con-
veniently forgotten by the solons until
after April 21, the date set for the
special senatorial election in the First
district.

DR. PEABODY ILL. DINNER IS CANCELLED

Dr. Peabody is suffering from a se-
vere attack of tonsillitis and has been
ordered by his physician to cancel all
his engagements.

Consequently there will be no meet-
ing of the Men's League at dinner this
evening in the parish house, where
the members of the league were to
meet and hear the noted Harvard pro-
fessor.

DANCE TONIGHT AT WAIKIKI INN

The management of the Waikiki Inn
announced another of those popular
dances for tonight in honor of its
guests, friends and townspeople.

Antonio Gazzo, the member of the
engineering force of the Siberia who
was apprehended yesterday while at-
tempting to bring ashore about \$500
worth of opium, waived examination
this afternoon before United States
Commissioner Davis and was bound
over to the next term of the court,
April 14.

back in Hawaii to make his home
here.

CARTER AT WORK ON PLANS FOR CAMPAIGN

Organized Publicity to Be Fea-
ture of Fight for Sugar
Tariff

Former Governor George R. Carter,
selected by the merchants' associa-
tion and chamber of commerce as the
proper man to go to Washington
in a fight for the sugar tariff, is ac-
tively at work today organizing plans
for a lively campaign.

Both President Bishop of the cham-
ber of commerce and President O. C.
Swain of the Merchants' Association
are keenly interested in Mr. Carter's
plans as outlined to the directors of
the latter organization yesterday.

As advised by Mr. Carter and ap-
proved by Messrs. Bishop and Swain,
heads of the two commercial bodies,
the local campaign is designed in the
first place to be a publicity one. Every
merchant and individual, as well as
the commercial bodies as such, will
be expected to write their business
and personal acquaintances on the
mainland, giving plain facts relative
to the importance and the position of
the sugar industry, with requests to
private individuals to communicate
the information to their acquaintances
in Washington public life. All branches
of business here will be appealed to
to do their part in aiding the cam-
paign of information, as all are equal-
ly dependent for their prosperity upon
the sugar industry.

With the launching of such a propa-
ganda there will be appropriate
committees appointed to manage the
financial end and properly to direct
the agitation. Such printed matter as
may be available, in the form of gov-
ernment and plantation reports, news-
papers containing facts bearing on
the object, etc., would of course be in-
cluded in the publicity feature of the
work.

When the local campaign has been
fairly inaugurated may be considered
as time enough for Mr. Carter to go
to Washington to work at that end.
This, however, is a question to be dis-
cussed at the conference tomorrow,
which will be at 3 o'clock in the room
of the Chamber of Commerce.

In the meantime, it is practically
settled that L. S. Connors, late editor
of the Hawaii Herald, who left for
Washington today to remain there for
some years, will act as correspondent
of the commercial bodies here and
keep them posted regarding the cur-
rent of tariff legislation, besides doing
whatever he finds possible to promote
the campaign at the national capital.

'BIG BUSINESS' WOULDN'T HAVE TO DIG SO DEEP

Archie Robertson's house bill No.
156, introduced this morning and pro-
posing to prohibit campaign contribu-
tions by corporations already has cre-
ated speculation as to what the Re-
publican majority will do to or with
it. As a Bourbon Representative Robert-
son was enabled to introduce the
measure with perfectly good grace.
When it comes out of the printer's
hands a few days hence it undoubtedly
will go to committee, where an un-
sung and inglorious death may await
it.

The bill reads as follows:
"Section 1. That from and after the
passage of this act, it shall be illegal
for any corporation, incorporated un-
der the laws of this territory, or doing
business therein, or any officer or
agent thereof, from corporate funds,
to make or authorize any contribu-
tions directly or indirectly to cam-
paign funds for political purposes,
in any election or primary election
held in this territory, or for the pur-
pose of influencing the vote, judgment
or action of any officer of this terri-
tory, legislative, executive or judicial."

"Section 2. Be it further enacted,
that any corporation or officer thereof,
or any person who shall violate the
provisions of this act shall be deemed
guilty of a felony, and, on conviction,
shall be punished by a fine in the sum
of ten times the amount of the contribu-
tion made, but in no event shall said
fine be less than one thousand dollars,
and in addition the officer or officers
making or authorizing such contribu-
tion or in anywise connected there-
with, shall be punished by imprison-
ment in the penitentiary for not less
than one year nor more than four
years, unless the jury trying the case
shall recommend him to the mercy
of the court, in which event he shall
pay the aforesaid fine prescribed."

"Section 3. Be it further enacted,
That all laws and parts of laws in
conflict with this act be, and the same
are, hereby repealed."

SUGAR

SAN FRANCISCO, Mar. 10.—Sugar:
96° test, 3.58 cents. Previous quotat-
ion, 3.54 cents. Beets: 83 analysis
10 s. Parity 4.11 cents. Previous
quotation, 9s. 11½d.

AUSTRIA IS BELLIGERENT EMBROILED WITH SERBIA

Vienna Demands that Serbs Withdraw from Siege of Scutari.
Renewed Tension in Europe—Capitals Are Alarmed

[Associated Press Cable]
BELGRADE, Servia, March 11.—Austria has demanded that Serbia with-
draw from the siege of Scutari, and this threatening ultimatum has given re-
newed tension to the international situation, causing grave concern among
the powers.

Europe is alarmed and the capital is much excited over fresh rumors of
war between the Powers.

Stefansson Dares North

[Associated Press Cable]
SAN FRANCISCO, Cal., March 11.—Undaunted by the fate that befell his
fellow-explorer, Capt. Scott, another polar wanderer will set out tomorrow.
Captain Vilhjalmur Stefansson, who first gave to the world the news of the
"white" Eskimos, will sail tomorrow in his staunch little ship, the Karluk,
for the far north. The party includes ten scientists and will be away three
years. Stefansson says he hopes to discover more blonde Eskimos.

Hurricane In Sydney

[Associated Press Cable]
SYDNEY, N. S. W., March 11.—A terrific hurricane here has derailed
sixty trains, drowned three people and wrecked many yachts and houses.
Scores of injured are reported.

Mexico Asks Recognition

[Associated Press Cable]
WASHINGTON, D. C., March 11.—A serious question confronts the
United States with the early nomination of a new ambassador from Mexi-
co in this country. When the nomination comes to Washington, the ques-
tion of recognizing the Huerta-Diaz government must be settled. By recog-
nizing the ambassador, the United States formally recognizes the new gov-
ernment and lends a sort of sanction to the overthrow of the Madero govern-
ment.

BAND OF HUERTA'S MEN TRAPPED AT AGUA PRIETA

[Associated Press Cable]
DOUGLAS, Ariz., March 11.—A thousand Constitutionalists have sur-
rounded 500 Huertistas at Agua Prieta, and an assault is impending.

MANY NON-COMBATANTS KILLED IN MEXICO CITY

[Associated Press Cable]
MEXICO CITY, Mex., March 11.—The official death roll of the battle
of February 9 between the Maderistas and Huerta forces shows that 508
were killed including 170 women and 6 children. Of the men killed, 208
were non-combatants.

Suffragettes Get Month

[Associated Press Cable]
LONDON, Eng., March 11.—Five suffragettes of the militant type, who
stormed the King's carriage yesterday to present suffrage petitions to him
and were arrested, today were sentenced to a month in jail.

Conscience or Caught?

[Associated Press Cable]
WASHINGTON, D. C., Mar. 11.—John Wanamaker, the merchant
prince, has refunded to the government \$100,000 for customs due on im-
ported samples for the past fifteen years on which nothing had been col-
lected.

HAWAII SHOWS MUCH PROSPERITY

As a complete and definite document,
showing the exact condition of the
territorial exchequer, with a compar-
ison of the last year of the last fiscal
period and the first year of the present,
the biennial report of Territorial
Treasurer David L. Conkling is well
worthy of the consideration of the
legislature, to which it was submitted
this morning. The receipts and ex-
penditures of the various governmen-
tal departments are carefully tabu-
lated and summarized into a con-
cise statement of receipts and disbur-
sements for the fiscal period. Treasur-
er Conkling states in the report that
he has refrained from suggesting les-
sion of any nature, as that will be
done by the executive.

Conkling sums up the situation
neatly in the introduction to his re-
port:

"The territory completed the year
1912 with a general account net cash
balance amounting to \$631,967.73. In
1908 this amount was but \$165,845.48.
Since July 1, 1908, to the end of 1912,
there has been an increase in the net
cash balances of all funds from \$175-
604.68 to \$1,517,890.93. Since the be-
ginning of the present fiscal period the
general account net cash balance has
decreased from \$680,304.49 to \$631-
967.73 and the net cash balances in all
current revenue accounts have in-
creased from \$1,081,051.72 to \$1,517-
890.93. The expenditures since the be-
ginning of the period have apparently
exceeded the receipts, but this is ac-
counted for by the transfers of money
from general funds to special funds
where it at present remains, an ex-
penditure in the books but not in
reality.

Since the real and personal prop-
erty tax law of 1911 went into effect
the separation of the finances of the
territory and counties has been man-

ifested in a much greater degree than
under the old system of a division of
the taxes and other receipts between
the local and territorial governments.
Since January 1, 1912, the needs of
the counties have been provided for out
of the taxes collected on the real and
personal property within each coun-
ty, while the territory has been run
on the income tax and a special prop-
erty tax on property used in and for
certain purposes, together with in-
heritance and insurance taxes and
miscellaneous fees and collections
made by the different territorial de-
partments.

During the two years past the bond-
ed debt of the territory has been in-
creased by \$3,000,000 and decreased
by the payment of \$207,000 fire
claims bonds. The last two sales of
bonds have netted the territory be-
tween fifty and sixty thousand dollars
above par in premiums, interest on
the money deposited in banks, and interest
and exchange saved in the new man-
ner of handling the proceeds of the
sales. The outstanding bonded debt
of the territory today is \$6,372,000,
and in the month of May coming, the
balance of fire claims bonds amount-
ing to \$28,000 will be paid, leaving
the debt at that time \$6,344,000. Un-
der the present sinking fund act it is
necessary to set aside from general
fund each year the sum of \$79,000,
while the yearly interest with com-
missions and expenses from May on
will amount to \$280,000. The total
outstanding bonds at the present time
are just less than four per cent of the
total assessed value of the entire ter-
ritory."

Dr. Lyman E. Sperry, the famous lec-
turer and author, will spend two weeks
in Honolulu, arriving here on April 1.
He will lecture in this city, under the
auspices of the Young Men's Chris-
tian Association, upon subjects of
travel and various topics relating to
sex hygiene. Mr. Sperry has a na-
tional reputation as a lecturer along
these two lines and as an author on
subjects relating to hygiene.

The regular meeting of the Civic
Federation will be held at four o'clock
tomorrow afternoon in the rooms of
the public service association.